

Frederick County Department of Housing and Community Development



www.frederickcountymd.gov/housing

FREDERICK COUNTY HOME INITIATIVE PROGRAM FOR DOWN PAYMENT/CLOSING COST LOAN ASSISTANCE

Purpose of Program

The Frederick County HOME Initiative Program allows local families with limited resources to purchase their first home with the help of a HOME Initiative grant for down payment and closing cost assistance. The maximum loan amount is \$5,000. The zero percent (0%) deferred loan will be a lien on the property with repayment due at: 1) the earlier of sale, refinance or transfer of title on the property; or 2) when the property is no longer the primary residence of the owner. The HOME loan shall be forgiven after five years, if all lien covenants are met.

Eligibility Criteria

1. First time homebuyer (may not have owned a home in the three (3) year period prior to application)
2. The property must be the primary residence of the homebuyer for 5 years.
3. Total gross household income must be at or below the Washington Area Median Income (AMI) limit set by the U.S. Department of Housing and Urban Development (HUD) for the HOME Program.
4. Applicants will be required to put a minimum of \$500 of their own funds toward the purchase of the home.
5. The applicant(s) must complete a minimum of 5 hours of homebuyer education training by a HUD approved housing counseling agency. In Frederick County this is offered by the Frederick Community Action Agency; call Brad Petersen 301-600-3966 or Joe Baldi 301-600-2077.
6. The property must pass a Housing Quality Standards (HQS) inspection, conducted at no cost by DHCD.
7. A ratified sales contract must be submitted with the application.
8. An appraisal must be completed and submitted prior to settlement.
9. The house value limit is \$362,790.
10. Co-signors are not permitted.

How to apply

- 1) Application is made by a lender on behalf of a homebuyer for a property anywhere in the county. Submit the original application and supplemental documentation directly to Frederick County Department of Housing and Community Development (DHCD) or
- 2) Application in conjunction with a USDA Rural Development direct mortgage for a property outside of Frederick City in a rural area of the county, as determined by USDA. Mortgage applications are made through USDA at 301-797-0500, extension 4. USDA will make application for the HOME loan on behalf of the homebuyer.

Green Homes Challenge Component

To help new homebuyers keep home ownership and utility bills affordable, DHCD partners with the Frederick County **Green Homes Challenge**, a program of the Office of Sustainability and Environmental Resources (OSER). Homebuyers who register with the Challenge may receive a certificate for a no-cost Comprehensive Home Energy Audit through the Potomac Edison's Watt Watchers program (based on availability). Registered households are encouraged to implement one audit- recommended energy saving project, and can request guidance from OSER staff and volunteers. All HOME homebuyers may also request Green Homes Challenge Handbooks to learn about energy saving actions, strategies for living a greener lifestyle, and renewable energy options. **Challenge Takers** will be offered resources for taking energy saving steps, tracking energy and utility bill savings, and reaping rewards for energy savings. For further information on the Green Homes Challenge, please contact: Sabrina Harder at 301.600.7414; or by email at sharder@frederickcountymd.gov.

Loan Documents

After approval of the HOME Initiative application, DHCD prepares legal documents to secure repayment including the Deed of Trust for recordation in the Frederick County Land Records and a Promissory Note. The turnaround time for the processing, approval and funding to settlement of a **complete** loan application is 30 days. This loan may not be used with any other DHCD funded homebuyer assistance program.

Appeal

An applicant may appeal any decision to the Director of DHCD by filing a written request within ten business days of receiving a denial letter. The Director shall conduct the review and reply to the applicant within ten business days of receipt of the appeal letter.

For More Information

Heather Sutton, Loan Processor
Frederick County, Maryland
Department of Housing and Community Development
301-600-6647
hsutton@frederickcountymd.gov

USDA Rural Development
Bonnie Rohrer
301-797-0500 Ext. 4

